GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:393
ANSWERED ON:16.07.2002
COAL SCAM IN BCCL DHANBAD
SATYAVRAT CHATURVEDI

Will the Minister of COAL AND MINES be pleased to state:

(a) whether attention of the Government has been drawn to the news item captioned Scams in Jharkhand appearing in the 'Rashtriya Sahara' dated May 22, 2002;

(b) whether Rs. 9500 crore Coal Scam has occurredi n the procurement of goods and supply of poor quality of coal in BCCL, Dhanbad;

(c) if so, the facts of the matter reported therein and the reaction of the Government thereto;

(d) the steps taken by the Government against the responsible officials in this regard; and

(e) if not the reasons therefor?

Answer

MINISTER OF STATE FOR COAL AND MINES (SHRI RAVI SHANKAR PRASAD)

a) Yes, Sir.

b) There is no such information.

c) to e) A statement is annexed.

Statement referred to in reply to part (c) of Lok Sabha Unstarred Question 393 for reply on 16.07.2002

Statement showing matters reported in the news item captioned 'Jharkhand mein huye arabon ke ghotale ke khilaf andolan' and the reaction of the Government thereto:

Sl. No.	Matters reported in the news item	Reaction of the Government
1	In BCCL, there was mis-appropriation of Rs. 9500 crore in supply of coal and procurement of goods.	In the absence of specific details on any particular case of any irregularity, it is not possible to verify the allegation.
2	RN Mishra Committee had reported a stock shortage of 130.14 lakh tonnes valued at Rs. 130.79 crore.	A stock shortage during 1991-92 of 34.14 (and not 130.14) lakh tonnes valued at Rs. 130.79 crore was detected by annual stock verification team as on 01.04.1992. The RN Mishra Committee was set up on 27.07.1992 to investigate into the stock shortages in BCCL during 1986-87 to 1992-93. The Committee recommended initiation of disciplinary proceedings against coal executives and also system improvement measures. Action on these recommendations has been taken.
3	In another report, it was found the coal sent by BCCL to	In some cases, quality/grade slippage might have taken place due variation in seam structure etc.

to PSUs contains 62.9% ash whereas the maximum permissible limit is 50%.	However, realisation has been made on the basis of analysed grade of coal supplies through joint sampling or third party sampling.	
4 In 1990-91, Vigilance Commission had got an investigation done by Shri AT Ray who reported Rs. 200 crore scam in purchase of materials.	On 18.06.1997 at the initiative of the then ED(Vig), BCCL, the CMD had engaged Shri AT Ray, Ex-GM(IAD) to study various aspects of materials management, scrap management and purchase procedure of BCCL to make in depth analysis of the inventory management system of BCCL. Shri Ray submitted three study reports dealing with these issues. The reports are not investigation reports and have not reported any huge loss as alleged.	
5 In Jharia, billions of rupees are being misappropriated in the name of sand stowing. The quantity of sand stowed is much less than what is shown on paper. This is the reason for fire prevalent in Jharia leading to loss of coal.	For safety of underground mines, sand is used for stowing and stabilisation. Due to shortage of departmental infrastructure for sand transportation, some of the requirement is met through private contractors. Transportation and consumption of sand are being regularly checked through various internal control measures.	
6 BJP leaders S/Shri Sushil Kumar Modi and Saryu Rai had written a letter dated 3.6.1999 to Prime Minister drawing attention to the scam of Rs. 12,000 crore. But no action has been taken.	In the absence of specific details on any particular case of any irregularity, it is not possible to verify the allegation.	